



INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

(HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT)

Overview

The Human Resources Management function includes all personnel related Activities at the Municipality and this chapter serves to interpret the data produced in the functional report.

Institutional Structure

The Institutional Structures of Kannaland Municipality is divided into two levels, namely the Political and the Administrative Structure.

The Administration is accountable to the Political Structure.

Political Structure

The principalship of the Political Structure lies with the Municipal Council listed below are the committees that assist Council in carrying out its responsibilities and mandates:

Standing Committees:

- Financial Services
- Corporate Services
- Technical Services

The Committees listed above are established in terms of the Section 79 and 80 of the Municipal Structure Act No 117 of 1998 as amended.

Administrative Structure

The principalship of the Administrative Structure lies with the Municipal Manager who administers the institution with departments and various units reporting directly to him.

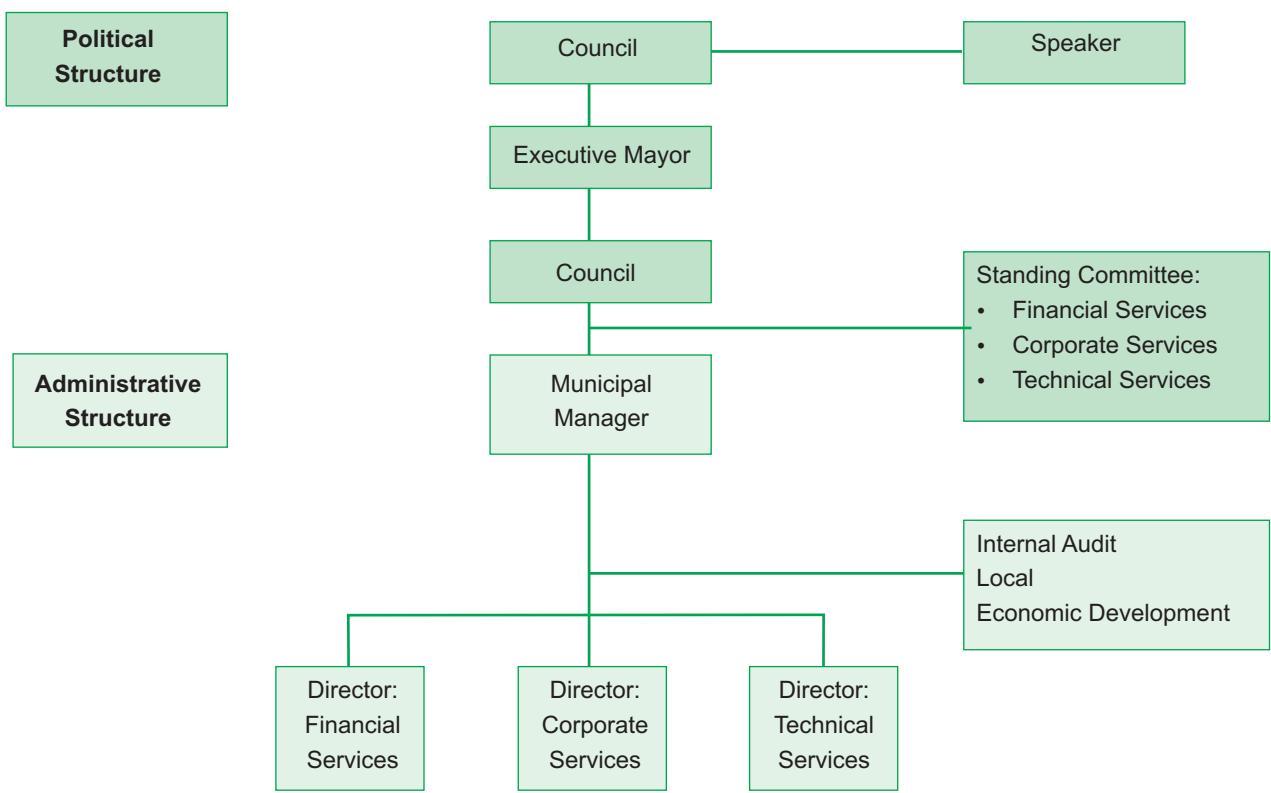
Kannaland consists of three (3) departments and the task of the Municipal Manager is to ensure that the following departments are run effectively, efficiently and economically.

Corporate Services	MM-offices	Finance	Technical
Admin & secretarial <ul style="list-style-type: none"> • Committees • Reception/typing • Archives • Libraries Human Resources Community services <ul style="list-style-type: none"> • Traffic • Housing 	Internal Audit	Income <ul style="list-style-type: none"> • Debt collection • Meter reading • Cashiers Expenditure <ul style="list-style-type: none"> • Salaries & wages • Payment of creditors • Budget control • procedure 	Electricity <ul style="list-style-type: none"> • Cemeteries • Sanitation • Water reticulation • Water purification • Roads & storm water • Mechanical services • Building maintenance and inspections • Cleaning services • Street sweeping • Refuse collection • Waste despot sites

INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

(HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT)

The institutional Structure is illustrated below:



Heads of Departments



Brendan Lalor
Chief Financial Officer



Johannes van Heerden
Director: Corporate Services



Julius Herfurth
Director: Technical Services

INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

(HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT)

Breakdown of posts per department and division

Department	Post	Post Filled	Total Posts
Office of Mayor	Mayor of support staff	1	1
Municipal Manager Office	-Municipal Manager	1	1
	-Secretary	0	1
	-Internal Audit	0	1
	-IDP/LED Coordinator	0	1
	-TLD Official	0	1
Administration services	Director Corporate Services	1	
	-Secretary	0	
	Manager Admin & Secretarial	1	
	Community Officer	1	
	Security Officer	1	
	Senior Secretary	1	
	Senior	1	
	Senior Librarian	2	
	Assistant Librarian	4	
	Manager Human Resources	1	
	Personnel Officer	1	
	Committee Clerk	1	
	Records Clerk	1	
	Receptionist	2	
	Messenger/Cleaner	1	
	Services & Housing	1	
	Traffic Officer	1	
	Motor Testing Officer	1	
	Motor registration Clark	2	
	Supervisor Cemetery	0	
	Supervisor Sport fields	0	
	Supervisor community development workers	0	
	Supervisor Community halls	2	
	Supervisor Public toilets	2	
Finance	Director Finance	1	
	Assistant Treasurer	0	
	Accountant Income	1	
	Chief Clerks	2	
	Cashiers	3	
	Meter readers	4	
	Chief clerk Debt collection	1	
	Accountant Expenditure	1	
	Salary clerk	1	
	General worker	1	
	Creditors clerk	1	
	Procurement officer	1	1
	Budget control officer	1	1
		15	
Technical services	Director Technical services	1	1
	Manager Technical services	0	1
	Supervisors Drivers/Foreman	2	2
	Operators	12	12
	General workers	4	4
	Water	34	34
	Electrician	0	2
	Assistant electrician	0	1
	Mechanic	0	1
	Assistant Mechanic	0	1
	Building Inspector	0	1
	Building Maintains	1	1
Grand Total		97	

INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

(HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT)

Approved and Vacant posts on Organogram:

Approved posts				Vacant posts			
MM & MSA section 57	Middle management	Admin Officers	General Workers	MM & MSA section 57	Middle management	Admin Officers	General Workers
4	10	23	56	0	6	16	31

Transformation statistics:

All levels							
AF	AM	CF	CM	IF	IM	WF	WM
0	0	12	70	0	0	4	7

Transformation statistics per post levels:

Municipal Manager and MSA section 57 level								Middle Management / Supervisory level							
AF	AM	CF	CM	IF	IM	WF	WM	AF	AM	CF	CM	IF	IM	WF	WM
0	0	0	2	0	0	0	2	0	0	1	7	0	0	1	1

Administrative officer and general worker level:

Administrative Officer level								General Worker level							
AF	AM	5F	CM	IF	IM	WF	WM	AF	AM	CF	CM	IF	IM	WF	WM
0	0	0	13	0	0	3	2	0	0	6	48	0	0	0	2

The demographic information of the municipality compared to the workforce of the institution is as follows:

	Total Population	African	Coloured	Indian	White
Total population	24,000	575	20,256	21	3100
%	100	2.4	84.6	0.1	12.9
Total municipal posts (employed)	93	0	82	0	11
%	100	0	85	0	12

Section 57 managers and selected positions:

No. Positions	Position	No. Filled	Employment contracts in place	Performance agreements in place
1	Municipal Manager	1	YES	YES
3	S57 appointees	2	YES	YES

Status on Human Resource policies and plans:

Policy/ Plan	Developed and implemented	Percentage of budget spend on skills development plan
Recruitment and selection	Yes	
Performance management	Yes	
Skills development plan	Yes	
Employment equity plan	Yes	
HRD and HRM policies	In process	

The Performance Management System above has been developed and will be implemented from 1 July 2007.

INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

(HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT)

1. Financial information on Medical Aid and Pension Funds

1.1 2008 / 09 Expenditure on Medical Aid Scheme

Name of Fund	Annual Costs (R)			
	2005/2006	2006/2007	2007/2008	2008/2009
Bonitas	3,400	0	0	28,429
SAMWU Med	164,994	338,871	463,684	503,446
Munimed	12,606	28,009	8,775	0
Hosmed	247,918	246,670	344,954	243,320
LA Health	259,138	514,624	552,224	655,219
TOTAL	888,348	1,128,174	1,369,637	1,430,414

1.2 2008 / 09 Expenditure on Pension Funds

Name of Fund	Annual Costs (R)			
	2005/2006	2006/2007	2007/2008	2008/2009
SAMWU Provident	333,449	325,655	613,757	586,459
Cape Joint PF	1,005,449	726,491	912,385	1,316,483
TOTAL	1,338,898	1,052,146	1,526,142	1,902,942

2. Total personnel expenditure analysis over the past 5 years

Financial Year	Total Personnel Expenditure (R)	Total Municipal Expenditure (R)	Percentage variance (%)
2004/05	10,870,643	21,407,439	48.2
2005/06	10,295,972	23,078,394	47.0
2006/07	12,108,004	67,614,843	17.9
2007/08	12,989,932	51,305,453	25.3
2008/09	14,971,620	55,044,682	27.2

3. Remuneration: councillors & senior management

The budgeted and actual remuneration paid to Councillors and Senior Management, being §57 contract employees, for the financial year July 2008 to June 2009 is detailed below.

3.1 Councillors

Councillors' remuneration is regulated by the Public Office Bearers Act, 1998 (Act 20 of 1998), as amended from time to time. The criteria used to determine the remuneration of councillors is based on the municipal revenue budget, the number of residents in the municipal area and the assigned status of the council and its composition.

Kannaland is a Grade 2 municipality as determined in accordance with the criteria per Government Notice No. R.1319 dated 08 December 2008:

Budget Year	2008/09
Total Budget	R 67,754,040
State Grants and Subsidies	R 27,266,000
Total Municipal Income	R 40,488 ,40
Grading Points (a)	16.67
Total Municipal Population	24,153
Grading Points (b)	8.33
Total Grading Points (c)	25.00
Determination of Grade	2

INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

(HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT)

Using the grading data and the legislated council structure, which determined that Kannaland will have 5 ward councillors and 4 proportional representatives of which the Mayor and one councillor are designated as full-time, the approved levels of remuneration are as follows:

Office	Assented (R)	Cellphone (R)	Total (R)
Mayor	485,683	15,984	501,667
Deputy Mayor	388,546	15,984	404,530
Speaker	213,700	9,972	223,672
Councillor	145,704	9,972	155,676
Total	1,962,153	101,772	2,063,925
Plus: Adjustment - Status of office - Speaker			
Part-time allowance	213,700	9,972	223,672
Full-time allowance	388,546	15,984	404,530
Year Impact	174,846	6,012	180,858
Monthly Impact	14,571	501	15,072
Period Impact	58,284	2,004	60,288
Adjusted budget 2009			2,124,213

An application for the revision of the status of the Speaker to that of a full-time councillors was submitted to the MEC for Local Government and approved after the end of the financial year.

The revised budget made provision for this change of status, based on the expectation that approval would have been granted with effect from 01 March 2009. The approved revised budget for councillors remuneration, support personnel and extended medical aid for pensioners amounted to R2,534,500.

Operational Expenditure	2008/09 O/Budget	2008/09 Revised	Amendment
Council: Allowance, salaries & contributions			
Councilores' allowances - R1,227/R1,319	1,994,480	2,063,930	69,450
Plus: Amendments - Speaker (4/12)	-	60,290	60,290
Personal assistants	306,040	208,400	(97,640)
Council: Statutory contributions	21,880	21,880	-
Continued Medical Aid (pensioners)	226,120	180,000	(46,120)
Total	2,548,520	2,534,500	(14,020)



INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

(HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT)

Actual remuneration paid to councillors during the year was marginally [5,36%] less than the budgeted total, due to the non-implementation of the change of status requested for the Speaker, periodic vacancies and other changes of status within the council structure. The saving on budgeted councillors allowances amounted to R113,963 as indicated in the table below.

Councillors Remuneration - 2008/09 Public Office	Actual (R)	Budget (R)	Variance (R)
Mayor Allowances Social contributions	501,357.78 498,447.78 2,880.00	501,670.00	(312.22)
Deputy Mayor Allowances Social contributions	404,095.81 399,557.39 5,538.42	404,530.00	565.81
Speaker Allowances Social contributions	224,033.41 203,621.12 20,412.29	223,670.00 60,290.00	363.41 (60,290.00)
Councillors (6) Allowances Social contributions	879,769.56 820,898.95 58,870.61	934,060.00	(54,290.44)
Schedule Total	2,010,256.56	2,124,220.00	(113,963.44)

3.2. Senior Management

Senior management consisted of four (4) contract employees, appointed in terms of §56 & §57 of the Municipal Systems Act, 2000 (Act No. 32 of 2000), being the Municipal Manager and Heads of Departments – Directors: Corporate Services; Financial Services; Technical Services.

Managerial remuneration is based on the all-inclusive cost to company package principle, whereby the employee is allowed to structure the package according to individual preference within legal limitations.

All four positions were filled for the full financial year, with variances between budgeted and actual amounts with regard to performance bonus payments. The Municipal Manager commenced service in December 2006 and was not paid any form of bonus in the ensuing year. Council opted to award an ex gratia amount as bonus compensation exceptional performance rendered in 2006/07 in addition to the adjudicated performance bonus awarded for 2007/08 and paid in the 2008/09 financial year.

The Directors were awarded bonuses based on adjudicated performance assessments for 2007/08 in proportion to their individual periods of employment during the year under review.

INSTITUTIONAL DEVELOPMENT & TRANSFORMATION

(HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT)

Management Remuneration - 2008/09 Position	Actual (R)	Budget (R)	Variance (R)
Municipal Manager	793,226	775,400	
Direct remuneration	680,173	680,176	17,826
Performance bonus - 2008	81,649	95,224	
Ex-gratia allocation - 2007	31,404		
Social contributions	-		
Director: Corporate Services	603,631	619,500	(15,869)
Direct remuneration	543,420	543,420	
Performance bonus	60,211	76,080	
Social contributions	-		
Director: Finance	603,630	619,500	(15,870)
Direct remuneration	515,951	543,420	
Performance bonus	60,211	76,080	
Social contributions	27,468	-	
Director: Technical Services	578,543	619,500	(40,957)
Direct remuneration	543,420	543,420	
Performance bonus	35,123	76,080	
Social contributions	-		
Schedule Total	2,579,030	2,633,900	(54,870)

